GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3283
ANSWERED ON:04.08.2017
Impact of GST on Telecom Infrastructure Companies
Gutha Shri Sukender Reddy

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken cognizance of its move not to allow tax adjustments on bills raised by telecom infrastructure companies to telecom operators will badly affect their business;
(b) if so, the details thereof; and
(c)the steps being taken by the Government to protect their demands in Goods and Services Tax?

Answer

MINISTER OF STATE FOR FINANCE
(SHRI SANTOSH KUMAR GANGWAR)
(a) Yes Sir. The Government is aware of the concerns being raised by telecom operators for not being allowed adjustments on bills raised by mobile tower companies to them.
(b) This issue was deliberated upon in detail by the GST Council and it was finally decided to maintain the current position of not allowing input tax credit of GST paid on mobile towers to the telecom operators.
(c) With the introduction of GST, supply of goods and services are taxed along the supply chain with cross utilization of credit, unlike the erstwhile VAT, central excise duty and service tax regime. This would reduce the overall burden of tax incidence on the companies.
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